

**IN THE UNITED STATES DISTRICT COURT
FOR THE WESTERN DISTRICT OF TEXAS
SAN ANTONIO DIVISION**

UNITED STATES OF AMERICA *ex rel.*
ESTHER SULLIVAN, Relator, et al.

Plaintiff,

v.

ATRIUM MEDICAL CORPORATION,

Defendants.

Civ. Action No. 5:13-cv-00244-OLG

JOINT NOTICE REGARDING SETTLEMENT

Defendant Atrium Medical Corporation and Relator Esther Sullivan respectfully notify the Court that they have reached a binding settlement to resolve this litigation.

On December 22, 2015, the parties reached a non-binding agreement in principle to resolve the case contingent upon obtaining approval by Defendant's board of directors and the United States Government as well as other agreed upon contingencies. Since that time the parties have worked diligently to resolve those contingencies.

On June 21, 2016, Relator, Atrium and the United States entered into a binding settlement agreement to fully and finally resolve all claims and causes of action.

There are several procedural matters that the parties are still working through. Specifically, the United States and the parties are now in the process of notifying the affected states of the agreement to obtain their consent for the dismissal. The states have not participated in the case but Relator's claims included allegations regarding both federal and state Medicare and Medicaid funds.

The Parties also must resolve Relator's attorney's fees and costs. The Settlement Agreement provides that Atrium will pay the Relator's reasonable attorney's fees and expenses

incurred in connection with the action as contemplated by 31 U.S.C. § 3730(d). The parties are presently negotiating those fees and expenses. If they cannot be resolved consensually, Relator will shortly file a fee application motion.

As the Court's stay of pretrial deadlines is expiring, the Parties advise the Court that aside from these procedural matters that the case is resolved and that they will shortly file a motion to dismiss to Relator's claims.

DATED: June 23, 2016

Respectfully submitted,

/s/Wade Miller

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CERTIFICATE OF SERVICE

On June 23, 2016, I electronically submitted the foregoing document with the clerk of court for the U.S. District Court, Western District of Texas, using the electronic case filing system of the court. I hereby certify that I have served counsel of record in this action electronically or by another manner authorized by Federal Rule of Civil Procedure 5(b)(2).

/s/ Meagan Martin

Meagan Martin